

State of California

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Legislative Change No.

07-12

Bill Number: AB 897 Author: Houston Chapter Number: 07-238

Laws Affecting Franchise Tax Board: Section 23701d of the Revenue and Taxation Code

Date Filed with the Secretary of State: September 26, 2007

SUBJECT: Exempt Organizations/Exempt From State Taxes Upon Submission Of Notification
Issued By IRS Approving Tax Exempt Status

**Assembly 897 (Houston), as enacted on September 26, 2007, made the following changes
to laws impacting the Franchise Tax Board:**

Section 23701d of the Revenue and Taxation Code is amended.

This act eliminates the requirements for federally tax-exempt Internal Revenue Code section
501(c) (3) organizations to apply for California income tax exemption.

This act is effective January 1, 2008, and operative for requests for California tax-exempt status
filed on or after January 1, 2008. In addition, this bill would specify the effective date of an
organization's California tax-exempt status to be no later than the effective date of that
organization's tax-exempt status under section 501(c)(3) of the Internal Revenue Code.

Assistant Bureau Director

Patrice Gau-Johnson

Date

11/9/07